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Via Hand-Delivery

July 9, 2009

RECEIVED

Mr. Jeff Derouen
Executive Director
Kentucky Public Service Commission
211 Sower Blvd.
Frankfort, KY 40601

JUL 09 2009
PUBLIC SERVICE
COMMISSION

RE: Case No. 2007-00319

Dear Mr. Derouen:

Enclosed please find and accept for filing in the above styled action the original and ten copies of a Reply to Response to Motion for Informal Conference on behalf of the Community Action Council for Lexington-Fayette, Bourbon, Harrison, and Nicholas Counties, Inc.

Sincerely,


Iris G. Skidmore

Enclosures

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

RECEIVED

In the Matter of:

JUL 09 2009

PUBLIC SERVICE
COMMISSION

THE JOINT APPLICATION OF LOUISVILLE GAS)
AND ELECTRIC COMPANY AND KENTUCKY)
UTILITIES COMPANY DEMAND-SIDE)
MANAGEMENT FOR THE REVIEW,)
MODIFICATION, AND CONTINUATION OF)
ENERGY EFFICIENCY PROGRAMS AND DSM)
COST RECOVERY MECHANISMS)

CASE NO. 2007-00319

REPLY TO RESPONSE TO MOTION FOR INFORMAL CONFERENCE

* * * * *

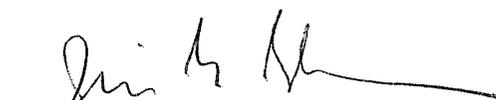
Comes the Community Action Council for Lexington-Fayette, Bourbon, Harrison and Nicholas Counties, Inc. (“CAC”), by counsel, and replies to the Response of Louisville Gas and Electric Company and Kentucky Utilities Company (“the Companies”) to CAC’s Motion for Informal Conference as follows:

After stating that they do not object to CAC’s motion for an informal conference, the Companies assert that their decision to hire Honeywell is consistent with the settlement agreement and they dismiss CAC’s position as “disappointment.” CAC is not merely disappointed that it was not chosen to perform the Phase I work under the settlement agreement. CAC was a participant with the Kentucky Association for Community Action, Inc. (KACA, now known as Community Action Kentucky) during the negotiations and had interests similar to KACA/Community Action Kentucky, including seeing that community action organizations take the lead in weatherization programs for low-income persons. CAC would not have signed the Settlement Agreement if there had been an understanding that an entity other than a community action agency would be designated to perform the intake work. Moreover, that was the stated position of both KACA/Community Action Kentucky and CAC during the settlement discussions.

As the Companies are well aware, in its intake process for the E.ON U.S. funded Energy Assistance Program, CAC presently has subcontracts with many of the same community action agencies that Community Action Kentucky would have used if it had opted to perform Phase I of the Settlement Agreement. CAC explained its network of subcontractors, web based Intake Referral and Information System, and similarly structured multi-county programs in its May 5, 2009 letter to E.ON U.S., and which was attached as Exhibit 1 to the CAC's Motion for Informal Conference. Articles I and II of the Settlement Agreement's intent to achieve efficiencies and avoid wasteful duplication could be met by the Companies allowing CAC to perform the Phase I work. The Companies cannot show that their chosen vendor can meet these objectives.

The Commission has an inherent interest in assuring that the Companies' implementation of the settlement agreement is consistent with the agreement and parties' intent, and CAC reiterates its request that the Commission schedule an informal conference to review this matter.

Respectfully submitted,



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COUNSEL FOR CAC

CERTIFICATE OF SERVICE

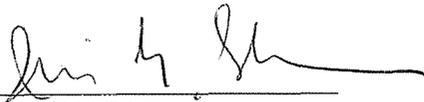
I hereby certify that on July 9, 2009, a true and accurate copy of the foregoing Reply to Motion for Informal Conference was served by United States mail, postage prepaid, to the following:

Hon. Dennis G. Howard II
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